



Commissioner for Trademarks
P.O. Box 1451
Alexandria, VA 22313-1451
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Nationstar Mortgage, LLC

v.

Mujahid Ahmad

Opposition No. 91-177036

On Petition to the Director
Filed: September 25, 2009

Decision

Nationstar Mortgage, LLC. (petitioner), opposer in the above-identified opposition proceeding has petitioned the Director of the United States Patent and Trademark Office, pursuant to Trademark Rule 2.146(a)(3), to reverse the order of the Trademark Trial and Appeal Board (the Board) dated September 2, 2009 and subsequent denial of petitioner's request for reconsideration, issued September 9, 2009, denying petitioner's motions for summary judgment. The petition is denied for the reasons stated below.

FACTS

Petitioner filed a notice of opposition on May 1, 2007 on the grounds of priority and likelihood of confusion under Section 2(d) of the Trademark Act, 15 U.S.C. §1052(d), and on the basis of alleged fraud in the application. After the grant of a stipulated motion for extension of time, applicant filed a motion for summary judgment pursuant to 37 C.F.R. §2.127(e)(1) and a motion to amend the application filing basis on January 31, 2008. Petitioner responded by filing a cross-motion for summary judgment and an opposition to applicant's motion to amend the filing basis. After the submission of responses and reply briefs on both sides, the Board granted applicant's motion to amend the filing basis, but denied both parties motions for summary judgment. *See* Order of the Board of June 17, 2008. Proceedings were resumed to complete briefing of

applicant's pending motion to compel discovery responses, which had been filed contemporaneously with the original motion for summary judgment.

Petitioner filed its response in opposition to the motion to compel within the time provided and the Board ultimately resumed proceedings after ruling against applicant on the motion to compel. Discovery and trial dates were reset to provide both sides with additional time for discovery.

Before the close of the discovery period, applicant's attorney requested permission to withdraw as attorney of record. The Board granted this request and suspended proceedings to allow applicant time to appoint new counsel or state that he intended to represent himself. A new attorney appeared on behalf of applicant and the Board resumed proceedings, again resetting discovery and trial dates.

On June 1, 2009, the day the discovery period closed, petitioner moved for an extension of time, requesting a thirty day extension to the close of the discovery period and trial dates. Petitioner alleged the request was for good cause to allow for the transcription of applicant's deposition, taken May 27, 2009, which would otherwise not be available until after the close of the discovery period. Over applicant's objections, the Board granted the motion on July 23, 2009 and reset the discovery and trial dates as requested. The discovery period was held closed, and the 30-day testimony period for petitioner was set to close September 30, 2009.

On August 28, 2009, four days before the start of its testimony period, petitioner filed a second motion for summary judgment pursuant to 37 C.F.R. §2.127(e)(1). In an order issued on September 2, 2009, the Board denied the motion without prejudice on procedural grounds. The Board explained that the motion violated 37 C.F.R. §2.27(a)(1) to the extent that it exceeded the twenty-five page length limit as it included twenty-seven pages total, including the brief, table of contents and index of cases.

The Board further held that as the testimony period had opened, petitioner could not file an amended, i.e. shortened, motion for summary judgment, and footnoted that three days after the original motion was filed, the United States Court of Appeals for the Federal Circuit issued new guidance on determining the ground of fraud, citing *In re Bose Corporation*, 91 USPQ2d 1938 (Fed. Cir. 2009). As a courtesy, the Board exercised its discretion and extended petitioner's testimony period to give petitioner a full thirty-day testimony period from the date of the September 2, 2009 order.

Petitioner requested reconsideration of the denial of its motion and submitted a shortened motion for summary judgment on September 4, 2009. Petitioner also requested suspension of the proceedings pending the determination of the potentially dispositive motion.

On September 9, 2009, the Board exercised its discretion to determine the motion prior to the time allowed for applicant to file a brief in opposition, and denied both petitioner's request for reconsideration and request for suspension. The Board found no error in its previous order and footnoted that the concurrently-filed shortened motion for summary judgment was untimely and would be given no consideration. It also noted that "[e]ven though the Board alerted opposer in the Board's September 2, 2009 order that the United States Court of Appeals for the Federal Circuit provided new guidance on the standard of fraud analysis, [petitioner] simply resubmitted the body of its motion for summary judgment without any change." Order of the Board, September 9, 2009, p. 8, f.n. 6.

Applicant filed a response in opposition to petitioner's request for reconsideration and an opposition to the motion for summary judgment of September 4, 2009 as untimely. In its order of September 25, 2009, the Board gave no consideration to applicant's oppositions as the Board had previously denied both the motion for summary judgment and request for reconsideration. To the extent the applicant's submission requested reconsideration of the Board's resetting the trial dates in its order of September 9, 2009, the motion was denied. On the same day, petitioner filed the present petition, and the Board suspended proceedings on September 30 pending disposition of this petition.

DISCUSSION

Pursuant to the authority provided by Trademark Rule 2.146(a)(3), the Director may reverse an interlocutory order issued by the Board in an *inter partes* proceeding only if there is a showing of (1) clear error or (2) abuse of discretion. *Paolo's Associates Limited Partnership v. Paolo Bodo* 21 USPQ2d 1899 (Comm'r Pat. 1990); *Riko Enterprises, Inc. v. Lindsley*, 198 USPQ 480 (Comm'r Pat. 1977).

Petitioner contends that the Board's order of September 2, 2009 is contrary to established precedent and procedure and the action taken by the interlocutory attorney is arbitrary, capricious, and in direct controversy to Board precedent and policy as set forth in the Trademark Trial and Appeal Board's Manual of Procedure (TBMP) §510.03(a) (2d ed. rev. 2004).

Denial of Second Motion for Summary Judgment on Procedural Grounds

The rules of practice relating to *inter partes* proceedings at the Board specifically indicate that "except where otherwise provided," the Federal Rules of Civil Procedure govern such proceedings. 37 C.F.R. §2.116(a) With respect to motions, including motions for summary judgment, a specific subsection of a specific rule outlines exactly what may be filed and when, and notes exceptions to that rule that relate particularly to motions for summary judgment. 37 C.F.R. §§2.127(a) and (e)(1)-(2)

Petitioner had previously filed a cross-motion for summary judgment on February 29, 2008, a submission that was governed by the amended rules of practice which took effect November 1, 2007. The Board's order denying the cross-motions issued June 17, 2008 made reference to the new Board rules and provided links to sources of information regarding the rules changes. It is also noted that the last order issued before submission of the August 28, 2009 motion, namely the Board's order granting petitioner's request for an extension of time of July 23, 2009 also highlighted the rules changes.

Past practice of the Board had been to hold parties to strict compliance with rules regarding summary judgment motions with respect to both page length and timeliness. *See Saint-Gobain Corp. v. Minnesota Mining and Manufacturing Co.*, 66 USPQ2d 1220 (TTAB 2003) (Board refused to consider motion for summary judgment and brief in response as both parties exceed total page limit of 37 C.F.R. §2.127(a)); *Ron Cauldwell Jewelry Inc. v. Clothestime Clothes Inc.*, 63 USPQ2d 2009 (TTAB 2002) (reply brief denied as untimely even with stipulated extension of time to file); *Estate of Shakur v. Thug Life Clothing Co.*, 57 USPQ2d 1095 (TTAB 2000)

(motions to compel responses to interrogatories and production of documents totaling 50 page in two submissions denied). This practice was codified in the form of Rule 2.27(a)(1) which was itself the subject of the Board's first precedential decision on the issue of violation of page restrictions of motions in *Cooper Technologies Co. v. Denier Electric Co.*, 89 USPQ2d 1478 (TTAB 2008). Petitioner argues that the current actions of the Board are directly contrary to the decision in *Cooper*.

In that case, both parties filed a motion for summary judgment and a response and cross-motion that were over the 25 page limit of Rule 2.27(a)(1). The Board refused to consider either motion on its merits and denied the motions without prejudice. However, in *Cooper*, the Board did not render its decision until five months after the original motion for summary judgment was filed. In the interim, the Board suspended proceedings thirteen days after registrant's motion was filed, which was after the first testimony period had opened, and before plaintiff had responded and filed its cross motion. The suspension order effectively closed the testimony period, but not until the order was issued.

Rule 2.127 provides for the suspension of proceedings "when any party files a motion to dismiss, or a motion for judgment on the pleadings, or a motion for summary judgment, or any other motion which is potentially dispositive of a proceeding. ... If the case is not disposed of as a result of the motion, proceedings will be resumed pursuant to an order of the Board when the motion is decided." 37 C.F.R. §2.127(d) The Board's manual further states that the filing of such a potentially dispositive motion "does not, in and of itself, operate to suspend a case; until the Board issues its suspension order, all times continue to run." TBMP §510.03(a)

Petitioner's motion for summary judgment of August 28 did not include a motion to suspend. Nevertheless, petitioner submits that the Board should be required to follow the same procedures as it did in *Cooper*, where the proceedings were suspended, the motions considered, and despite the denial of the motions, the parties were, in effect, given additional time to file revised motions complying with the page limits. "[Petitioner] requests that the Director order the Board to suspend proceedings and allow [petitioner] to submit a revised Motion." Petition, p. 3. Petitioner had previously submitted a shortened motion for summary judgment with its request for reconsideration of September 4, 2009, but the Board held that motion untimely.

Review of the December 17, 2008 decision in *Cooper* reveals that the motions were denied without prejudice, as was petitioner's motion in the present case. As the proceedings had been suspended for over four months, the Board reset the close of the first testimony period to February 15, 2009. While the first testimony period was originally scheduled to open July 16, 2008, the entire testimony period had been suspended as of July 28, 2008. Moreover, in *Cooper*, the Board had not already issued a decision on the merits of a prior summary judgment claim, as the Board did more than a year prior to petitioner's second motion for summary judgment. Given the totality of the circumstances, the factual situation in the present case is not as on par with the facts of *Cooper* as petitioner may espouse. Petitioner has already been given the opportunity to argue a motion for summary judgment on fraud, which the Board denied.

Petitioner has presented no arguments or justification for its failure to comply with the rule on the length of motions, nor has it provided any explanation as to why suspension was not requested at the time the motion was filed. Even had a motion to suspend been filed contemporaneously with the motion for summary judgment on August 28, the rules of practice provide that the Board may decide a potentially dispositive motion before the question of

suspension is considered, regardless of the order in which the motions were filed. 37 C.F.R. §2.117(b) The Board efficiently considered the motion and held it procedurally defective, thus obviating the need to suspend for further consideration of that motion. Without any other motion or request to suspend proceedings or reason to do so upon its own initiative, the Board resumed proceedings.

Given the strict standards on page limit, the Board promptly determined that a decision on the merits of the motion was unwarranted and acted in accordance with the substantive holding of *Cooper* in denying the motion on procedural grounds. Petitioner's motion, filed on Friday, August 28, 2009, was denied on Wednesday, September 2, 2009. The Board found no reason to suspend proceedings based on the procedurally defective motion and issued its decision with compensation to petitioner in the form of the extension of the close of the testimony period by one day.

Petitioner's arguments that the delay until one day after the opening of the testimony period in the issuance of the September 2, 2009 order denying the motion "contributed to the absurd result of denial on the merits [sic]" is not well founded. "[T]he Interlocutory could have rejected [petitioner's] Motion on August 31, 2009, the day before [petitioner's] testimony period was set to open on September 1, 2009, so that [petitioner] had time to cure." Petition, p. 6.

The motion, filed electronically on a Friday and totaling 341 pages including exhibits, was not likely even seen by Board personnel until Monday, August 31, 2009.¹ That a decision was rendered within three business days of submission of petitioner's motion for summary judgment does not equate to a "delay" in prosecution that led to a harsh procedural denial.

Petitioner is not left without the opportunity to be heard. The denial of the motion for procedural reasons does not, in the present circumstances, resolve the issues at hand. The Board previously held that summary judgment was not warranted and resumed proceedings in order to move the parties toward the trial phase. Again the Board has found that a second motion for summary judgment was not dispositive of the case, and the trial period was resumed in a manner intended to allow petitioner a full thirty days of testimony.

Thus, the Director finds no clear error or abuse of discretion by the Board in denying the motion on procedural grounds and no abuse of discretion in exercising its inherent power to schedule disposition of cases on its docket by not suspending proceedings when no further deliberation on the issue was necessary.

Denial of Request for Reconsideration, Motion to Suspend and Amended Motion for Summary Judgment

Petitioner's request for reconsideration, filed September 4, 2009, was denied on September 9, 2009. Petitioner has not directly requested relief from the denial of this motion, or the denial of the contemporaneously filed motion to suspend proceedings and its amended motion for summary judgment. Therefore, the order of September 9, 2009 and the subsequent order denying applicant's motion for summary judgment are not reviewed in this decision.

¹ August 31, 2009 was also the date of issuance by the Court of Appeals for the Federal Circuit of the *In re Bose* decision, *supra*, which effectively tightened the fraud standard. Review of the decision by the Board was required before any further actions could be taken on the issue of fraud in all cases pending at that time.

DECISION

The petition is denied. The Opposition will be returned to the Board for resumption of opposition proceeding.

/Sharon R. Marsh/

Sharon R. Marsh
Deputy Commissioner
for Trademark Examination Policy

SRM:JDC

Date: 1-25-10

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